



WOMEN'S ECONOMIC EMPOWERMENT STRATEGY

THE WILLIAM AND FLORA HEWLETT FOUNDATION

MARCH 2015

INTRODUCTION

Ensuring that women have—and can take advantage of—full and fair opportunities to earn a living is fundamental to social and economic development. In addition to the intrinsic importance of economic equality for women, when they thrive, so do their families and societies. Improving women's well-being contributes to a cycle of better health and education outcomes, more stable societies, and more sustainable development. In short, empowering women is essential for them to fulfill their human capability and for their families and societies to realize their full potential.

Despite broad recognition from world leaders of the centrality of women's economic and social rights, their actions lag behind their rhetoric. The economic development paths pursued by many countries systematically disadvantage women. The vast majority of the work women perform is not recognized as economically productive, and women have been excluded from sectors with the best prospects for earning and advancement. In many countries, a woman does not have access to credit and cannot start a business or use her income without her husband's permission. Particularly in low- and middle-income countries, women's role in bearing and raising children limits their participation in the marketplace.

The William and Flora Hewlett Foundation has made grants to advance women's empowerment since its founding, starting with its commitment to reproductive health and rights and extending more recently to enhancing the ability of all citizens to have their voices heard. The Global Development and Population Program seeks to complement our existing portfolio by supporting a focused agenda on women's economic empowerment.



THIES, SENEGAL: Women working at a millet factory use the income they generate to have some financial independence, help with sharing the family expenditures, and not rely on their husbands when spending money on the health and education of their children.

PHOTO BY : Jonathan Torgovnik,
Reportage by Getty Images

(Cover Image) **KATAEK, UGANDA:** As part of the Aberu Kanyoutu women and girl's group, these women use sewing machines provided by DSW Uganda to make clothes to sell in their community and at local markets.

PHOTO BY : Jonathan Torgovnik, Reportage by Getty Images

GOAL AND OUTCOMES

What do we mean by “women’s economic empowerment”? According to the International Center for Research on Women, a woman is economically empowered when she has (1) the ability to succeed and advance economically, and (2) the power to make and act on economic decisions. Other researchers offer different definitions, but all share this focus on a combination of opportunities and agency. Our ultimate goal for women’s economic empowerment thus emphasizes *greater agency, opportunities, and control over resources*.

To advance this ultimate goal, over the next five years we will seek three mutually reinforcing outcomes at both the global and national levels:

OUTCOME 1: Women’s work is included in measures of labor force participation and economic productivity.

OUTCOME 2: The gender-specific implications of economic policies are understood and taken into consideration when creating policy.

OUTCOME 3: Advocacy organizations are better able to inform and influence policies that affect economic opportunities for women.

In implementing this strategy, we will help to build both the evidence base and the capacity of advocacy organizations to use evidence in their strategies to influence economic, social, and development policy changes to consider gender disparities. Our focus will remain in East and West Africa, where we can take advantage of policy opportunities and build on knowledge acquired from other work in these areas.



MOMBASA, KENYA: As members of a cooperative group these women bake cakes to sell in their community using a solar oven provided by DSW Kenya.

PHOTO BY : Jonathan Torgovnik,
Reportage by Getty Images

PROBLEMS TO BE ADDRESSED

Influential labor statistics are neither accurate nor comprehensive in reporting women's work.

Basic information about women's economic activities is scarce, and what information we have is woefully incomplete. We know little about the economic activities of poor women in low- and middle-income countries. We know even less about unpaid care and other household activities that, while not market-based, make an economic contribution.

The problem begins with the definition of work used by national statistical offices and international organizations. Labor statisticians have long defined work in terms of activities associated with formal sector employment, excluding the activities of self-employed workers in small, unregistered enterprises and workers employed in enterprises not regulated by the state. This includes, for instance, people who sell food and other products on the street, those who collect waste or engage in trash recycling, home-based piece workers, and many others.



NAIROBI, KENYA: One of the members of the Nairobi Young and Old cooperative group in front of her charcoal stand in a local market in Nairobi—just one example of a job not typically captured by surveys.

PHOTO BY : Jonathan Torgovnik,
Reportage by Getty Images

SOURCE : [IMF](#)



KATAEK, UGANDA: This woman from the Aberu Kanyoutu women and girl's group is selling vegetables in a local market.

PHOTO BY : Jonathan Torgovnik,
Reportage by Getty Images

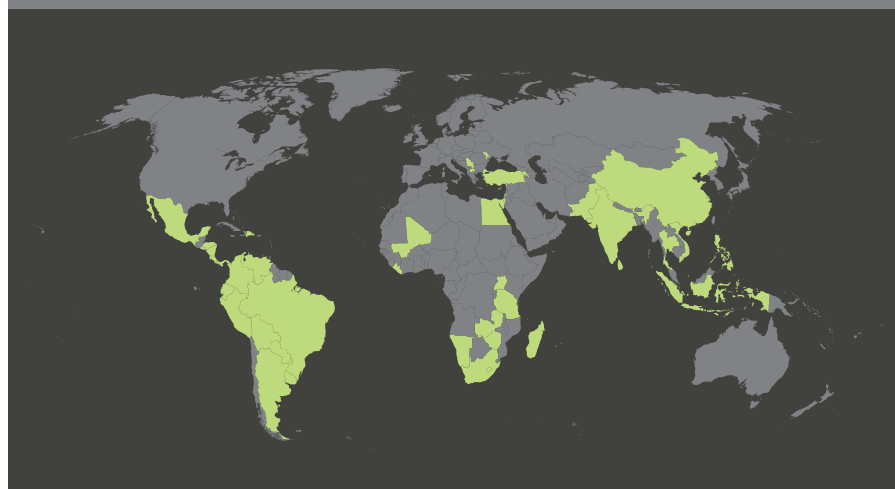
SOURCE : [UN Women](#)

The limited traditional definition of work may make sense for industrialized nations, but not for the developing world, where a large share of productive economic activity—work in the informal economy—is the dominant form of non-agricultural employment. When informal workers are not counted, the resulting gap in the data particularly disadvantages women, who comprise a disproportionate share of informal economy workers. As a result, while labor market surveys of developing countries capture about 75 percent of men's economic activity, they reflect no more than 30 percent of women's.

Women are concentrated in the informal economy in part because standard employment options are closed to them. Girls generally receive less education than boys and have fewer opportunities in the formal sector. In many cultures, gender norms discourage women from seeking employment outside the home and instead restrict them to child and elder care, cooking, and finding fuel and water for the family (also known as the “care economy”). Employers may see women as less productive and/or higher risk because of the possibility they will become pregnant. Women with small children and no good child care options (or none at all) may find it impossible to combine a formal-sector job with family responsibilities, while opportunities in the informal economy are often more flexible, making it easier for women to combine earning and child care. Whatever the reasons, the concentration of women in the informal economy means that women's productivity has been systematically undercounted, perpetuating the misconception that women are not major economic contributors.

Significant progress has been made to correct this inaccuracy in recent years. Starting in the mid-2000s, Women in Informal Employment: Globalizing and Organizing (WIEGO) and the International Labour Organization (ILO) collaborated to develop standards to measure informal economic activity, and many surveys such as labor force, household, or special informal sector surveys used to measure economic indicators now incorporate the new measures. Recently, the ILO and WIEGO published the second edition of *Women and Men in the Informal Economy: A Statistical Picture*, and both international agencies (like the World Bank) and regional and national authorities are using the data intensively.

ONLY 41 COUNTRIES MEASURE *the* INFORMAL ECONOMY



Argentina	Lesotho	South Africa
Armenia	Liberia	Sri Lanka
Bolivia	Macedonia	Tanzania
Brazil	Madagascar	Thailand
China	Mali	Turkey
Colombia	Mexico	Uganda
Costa Rica	Moldova	Uruguay
Dominican Republic	Namibia	Venezuela
Ecuador	Nicaragua	Vietnam
Egypt	Pakistan	West Bank and Gaza
El Salvador	Panama	Zambia
Honduras	Paraguay	Zimbabwe
India	Peru	
Indonesia	Philippines	
	Serbia	

It's a start, but still limited. Disaggregated data on employment of men and women in the informal economy are currently available for only forty-one countries worldwide, including only ten of the fifty-two countries in sub-Saharan Africa. Expanding data collection to other nations is thus an important objective.

Measuring informal activity is useful, but its importance is limited if it is excluded from the international definition of "work." Here, too, however, progress is being made. At a conference hosted by the ILO in October 2013, the International Conference of Labor Statisticians updated the definition of work to encompass a far broader range of activities, paid and unpaid. The international definition now recognizes work as including both work for pay or profit ("employment," whether in formal or informal enterprises) and unpaid production of goods and services for use in one's own household or by others. This includes cooking, child care, and other domestic tasks. All observers agree that the adoption of this new definition more comprehensively represents the work of both men and women across societies, but the methodological and implementation challenges are significant and efforts to address them are just getting underway.

A final measurement challenge pertains to unpaid work. In addition to measuring the number of people doing such work, we need to assign monetary value to different types of unpaid work and to attribute the overall economic contributions of those who do it. This is important for two reasons. First, without assigning explicit economic value to this work, we cannot integrate unpaid care into overall measures of economic productivity. Second, assigning this value uncovers the implicit subsidy to the overall economy that unpaid family care and related activities provides.

There are many technical challenges here (lack of data, different methodologies that don't allow for comparative studies), particularly where the market for child care is limited, making it difficult to place a value on wages. If there isn't a market for a specific service, then there is no economic or financial benchmark on how that service is valued in the "formal" economy, and it is therefore harder to measure in terms of its economic contribution. International labor statisticians nevertheless say they can develop and reach agreement on guidelines by 2018 if sufficient background work can be completed.

According to an International Labour Organization publication, disaggregated data on employment of men and women in the informal economy are currently available for only forty-one countries worldwide, including only ten of the fifty-two countries in sub-Saharan Africa.

SOURCE : [International Labour Organization](#)

Economic policies frequently ignore women's work and employ macroeconomic models that ignore gender differences.

Macroeconomic models used to analyze alternative economic pathways generally do not take into account important gender-based differences. Due to differences in opportunities and behavior that start within the household, men and women contribute in different ways to the economy and respond in distinct ways to labor market and other changes. But these differences tend to be ignored in macroeconomic analyses that are the basis for policies for economic growth, employment creation, and poverty reduction.

Part of the reason for a limited view of gender within macroeconomic models is a lack of research on how women, men, family, and community members' perceptions of economic opportunities and constraints play out in how people make life decisions. For example, many countries lack rigorous research on how current or perceived future economic opportunities and/or the ability to control earnings influences women's decisions about when or if to have children, how time is allocated in the household, how intra-household negotiation over resources is affected, and what investment is made in children's education and health.

This combination of incomplete data on work and productivity and limited research on the gender dynamics of economic activity produces a large blind spot when it comes to making policy. As a result, discussions about policies to enhance women's economic well-being tend to be focused on matters like extending microfinance or setting up specialized training programs, rather than part of mainstream debates.

The tendency toward economic policymaking that ignores gender is particularly unfortunate in sub-Saharan Africa, where most nations are aggressively looking for new ways to generate jobs. For example, countries with growing oil, gas, and mining industries want their local economies to benefit from foreign investment in ways that reach beyond royalties and tax revenues; they want to develop local industries that serve growing supply chains. These include trades like trucking, machinery repair, provision of uniforms, and food service. But policies to open up procurement competitions for local firms are not currently designed in a way that fosters opportunities for women. Instead, emphasis is placed on sectors like transportation that require large capital investments, while opportunities that might be more open to women tend to be ignored or given very low priority.



BELO HORIZONTE, BRAZIL: This woman is a waste picker, known as *catadores* in Brazil, with the cooperative ASMARE.

PHOTO BY : Demetria Tsoutouras, WIEGO



CAYAR, SENEGAL: This woman is selling fish at her local fish market.

PHOTO BY : Jonathan Torgovnik,
Reportage by Getty Images

SOURCE : [UN Women](#)

This problem is not limited to developments around natural resources. Many African nations are actively identifying other industries to attract, and they are developing programs to improve workers' skills. In so doing, however, they are paying little or no attention to the disparate effects these different economic paths have on men and women, and they are ignoring the role of the informal economy as a source of jobs for a rapidly growing workforce.

Economic policies not directly related to employment also have gender-specific implications that are not being taken into consideration. For example, consumption taxes are an increasingly key strategy for finance development programs in Africa. Yet little attention has been paid to how governments can use tax policy to reduce inequalities in income, or how tax policy may differentially affect men and women, particularly poor women.

These are just a few examples of ways in which policies that are recommended by international and regional organizations or enacted by national governments exclude or disadvantage informal sector workers and women—often depriving them of a fair share of the benefits of the most dynamic and promising parts of the new and emerging African economy.

OUR GRANTMAKING STRATEGY

We believe we can usefully build on growing recognition of the importance of women's economic empowerment by improving data on women's economic activities and supporting research that will inform and influence the development of new policies. We propose to address (1) the lack of information about women's work, particularly in the informal sector; (2) the lack of understanding about the relationship between economic policies and household decision making; and (3) the integration of gender-specific considerations in economic policies. Further, we plan to couple these research efforts with targeted advocacy to help move gender issues from the periphery to the center of economic policy development.

To achieve these goals, we will place priority on four elements in our grantmaking strategy:

- **Support expansion of new ways to measure women's paid and unpaid work accurately and comprehensively.**
- **Promote analyses that examine gender-specific impacts of economic policies.**
- **Inform economic policy recommendations and their application in sub-Saharan Africa.**
- **Pair technical analyses with advocacy.**



NGEW PAYAHO, CHIANG RAI, THAILAND:
As part of an informal workers group affiliated with HomeNet Thailand this woman weaves and colors bags.

PHOTO BY : Sofia Trevino, WIEGO

Measuring women's work more accurately and comprehensively.

By developing partnerships with, and making strategic investments in, both public organizations and experts, we can ensure that women's economic activities are better represented in information used by ministries of finance and planning as well as by central banks. Both traditional economic and household surveys and nontraditional forms of data collection can help to improve the base of information about women's economic activity.

Building on existing surveys by the ILO and World Bank, as well as the work of national statistical offices, we will support the development and promotion of definitions and measurement of work that are accurate and comprehensive and do not embed gender bias. We could, for example, support a range of activities to apply the ILO's new, broader definitions of work in labor market, firm, and household surveys. In addition, we would seek opportunities to contribute to the emerging technical consensus about how to measure and value unpaid work. Finally, we envision making a series of investments to expand the available data around laws and regulations that influence women's economic opportunities.



Promoting rigorous analyses of how economic policies affect women.

Obtaining better data is important, but we also need to ensure that data is used sensibly to help women—particularly poor women. This means we must strengthen the analytic tools (such as economic theory and models, data, indicators, definitions, and statistical surveys) used to make economic policy in ways that improve overall economic and national welfare.

To this end, we anticipate supporting a range of conceptual and empirical work by leading researchers in both Northern institutions and the Global South. We will, in particular, support the development of gender-sensitive macroeconomic models, providing a means to ascertain the gender-specific impact of different policies in ways that traditional models do not. We also expect to support work to extend microeconomic research on household decision making in order to better capture the impact of structural constraints on (and opportunities for) labor market participation.

NAIROBI, KENYA: Members of the Nairobi Young and Old cooperative group gather in their small center to make products to sell.

PHOTO BY : *Jonathan Torgovnik*
Reportage by Getty Images.

Influencing global economic norms and definitions and their application in sub-Saharan Africa.

Economic policies that affect women are powerfully influenced by the work of international institutions such as the International Monetary Fund, the World Trade Organization, the World Bank, and the ILO. These organizations establish the frameworks for economic measurement that all countries use. They also set (or strongly influence) the direction of economic policy that most countries pursue.

Some countries are more influenced by international agencies than others. Economic powers like India, China, and Brazil can chart their own economic courses, but smaller countries that depend on foreign direct investment and the backing of international financial institutions—like the nations of sub-Saharan Africa—are heavily constrained by international economic frameworks. These global institutions establish the frameworks for economic development policies; therefore, developing countries that are heavily dependent on international aid, loans, and financial backing are disproportionately influenced by how they define economic development. Affecting how large international agencies integrate gender considerations into their work can generate international practices and standards that can improve the way we define and measure the work that women do (paid and unpaid) and therefore inform the development and economic models to improve the economic status of women.

As a practical matter, given our limited capacity to work in-depth in individual countries, we expect to engage closely with regional institutions and think tanks. In collaboration we will provide, support, and expand on the technical capacity, in-country partners, and advocacy tools to first demand more and better data, then use that data to research the gendered effects of economic and development policies, and ultimately advocate for changes at the country level. We may also have opportunities to support technical and advocacy organizations that themselves work with partners in multiple countries.



TORORO, UGANDA: Members of the Kaku women's group are weaving baskets to sell in local markets.

PHOTO BY : Jonathan Torgovnik
Reportage by Getty Images.

Pairing technical analyses with advocacy.

Data-informed technical analysis is not enough to empower women economically. Rather, we need to pair investments in data and research with support for influential organizations that are capable of promoting appropriate policy agendas and monitoring whether these agendas, once adopted, are properly executed. This is challenging work, but we see opportunities to strengthen advocacy across a range of relevant issue areas, including women's rights, reproductive rights, workers' rights, and citizen empowerment.

Key advocates at the international level are those that have credibility with multilateral agencies and can connect to both technical and political levels. In addition to strong partners whose work focuses primarily on gender, we want to identify organizations with a broader mandate to help make the case for integrating gender concerns into general economic policy. Robust data, research, and evidence on the gendered effects of economic policies can also be used in research done by organizations that don't traditionally develop gender analysis.

An advocacy approach at the national level will need to be developed over time, building on and informed by the country-level advocacy work we already support on women's reproductive health. At present, many or most national organizations working for women's empowerment do so with a rights-based approach—a valuable tactic, but one that doesn't hold a lot of sway with decision makers in the economic policy arena. We believe we can support some of these organizations to broaden their efforts by producing or obtaining solid data and research they can use as an effective advocacy tool.